

Tracts on Money vol 6.

R E F L E C T I O N S

O N

C O I N I N G E N E R A L ;

O N T H E

C O I N S o f G O L D a n d S I L V E R i n *Great-Bri-*
tain i n p a r t i c u l a r ;

O N T H O S E

M E T A L S A S M E R C H A N D I Z E ;

A n d a l s o o n

P A P E R p a s s i n g a s M O N E Y.

L O N D O N :

Printed for J. WAUGH at the Turk's Head in Lombard-
Street. 1762.

REFLECTIONS

ON

COIN IN GENERAL

ON THE

Coins of Gold and Silver in Great Britain
and in particular

ON THE

METAL AS MERCHANDISE

AND

PAPER MONEY



LONDON

Printed for J. Waverley in the Strand
1822.

The BOOKSELLER to the READER.

WHEN these *Reflections* were given me, I was directed, whenever published, to print,

As a Dedication.

To the Right Honorable George Grenville, one of His Majesty's most Honorable Privy Council. &c. &c. &c. are these *Reflections* most humbly inscribed.

As a Preface.

Principles founded in *Truth* will ever be just; therefore any *Rise* or *Fall* in the *Market Price* of *Gold* and *Silver* cannot change such *Principles*.

And by way of Introduction.

As at the *Beginning* of a *Reign*, a new *Coinage* may be thought of, it has made me resolve to present these *Reflections* to the *Public*; whose *Weal* and *Prosperity* the Author ardently wishes, as doth, kind Reader,

Your humble and devoted Servant,

J. W.

December, 1761.

The Bookseller to the Reader.

WHEN these Reflections were given me, I was directed, whenever published, to print,

To the Right Honourable George Grenville, one of His Majesty's most Honourable Privy Council, Sec. Sec. and these Reflections most humbly

presented, in Form will ever be left, therefore any Gift or Loan in the Market Price of Gold and Silver cannot change such Presents.

As at the Beginning of a Reign, a new Coinage may be thought of, it has made me relate to present the same to the Public, whole Word and Prose, author earnestly wishes, we both, kind



Your humble and devoted servant,

J. W.


London, 1761.



REFLECTIONS

ON COIN in GENERAL, &c.

November, 1760.

1.  OINS are Pieces of Metal on which an Impression is struck; which Impression is understood by the Legislature to ascertain the *Weight*, and the *intrinsick Value*, or *Worth* of each Piece.

2. The *real Value* of Coins, depends not on a Piece being called a *Guinea*, a *Crown*, a *Shilling*; but the true worth of any particular Piece of Gold or Silver, is what such Piece contains of *fine* or *pure Gold* or *Silver*.

3. Copper being mixed with *Gold* and *Silver* is, generally understood, to render those Metals more durable when circulating in Coins; yet Air and Moisture evidently affect Copper, whether by itself or mixed with other Metal: whereas
pure

pure Gold or Silver are much less affected thereby, or corroded.

4. Leaving the Durability to be as it may, certain it is, that *Copper* is mixed in *Gold and Silver Coin*, and called *Alloy*. The Quantity of *Copper* so mixed is fixed by the Legislature. When melted with the pure Metal, or added, or extracted to make a lawful Proportion, both *Gold* and *Silver* are brought to what is called *Standard*. This Alloy of *Copper* is never reckoned of any Value. The *Standard* once fixed, should be ever invariable; since any Alteration would be followed by infinite Confusion, which must be hurtful in a State.

5. It is for *publick Convenience*, and for facilitating the bartering between Mankind for their respective Wants, that Coins were invented and made.

For were there no Coins, *Gold* and *Silver* might be made or left pure; and what we now call a *Guinea's-worth* of any thing, might be cut off of *Gold*, and a *Crown's-worth* from *Silver*, and serve, tho' not so commodiously as Coin.

6. Hence

6. Hence it is evident that in whatever *Shape, Form, or Quality*, these Metals are, they are brought to be the most *common Measure* between Man and Man; as serving to barter against, or exchange for, all kinds of Commodities; and consequently are no more than an *universal accepted Merchandize*: for Gold or Silver in Bullion (that is to say in an uncoined Mass) and Gold or Silver in Coin, being of equal Weight, Purity, and Fineness, must be of equal Value, the one to the other: for the Stamp on either of these Metals (duly proportioned) neither adds to, or takes from, their *intrinsic Value*.

7. The Prices of *Gold and Silver* as Merchandize, *must* in all Countries, like other Commodities, *fluctuate* and *vary* according to the Demand; and no *Detriment* can arise therefrom, more than from the *Rise* and *Fall* of any other Merchandize. But if when coined, a due *Proportion* of these Metals, the one to the other, be not established, the *Disproportion* will be felt and proved, and that Metal wherein the Excess in the *Proportion* is allowed, will preferably be made use of, either in *Exportation*, or in *Manufacture*;

as is the Case now, in this Kingdom, in regard to Silver Coin, and which, in some Measure, is the Occasion of its Scarcity.

For so long as 15 Ounces and about $\frac{1}{3}$ of pure Silver in Great-Britain, are ordained, and deemed to be equal to one Ounce of pure Gold, whilst in neighbouring States, as France and Holland, the Proportion is fixed only $14\frac{1}{2}$ Ounces of pure Silver, to one Ounce of pure Gold, it is very evident, that our Silver when coined, will always be the most acceptable Merchandize by near five in the Hundred, and consequently more liable to be taken away, or melted down, than before it received the Impression at the Mint.

8. 62 Shillings only are ordained by Law to be coined from 12 Ounces of Standard Silver: now following the Proportion abovementioned of $15\frac{1}{3}$ to $14\frac{1}{2}$ (no regard being necessary as to Alloy) 65 Shillings should be the Quantity cut out of those 12 Ounces.

9. No everlasting invariable Fixation for coining, can be made from a Medium of the Market Price of Gold and Silver (though that Medium with ease might be ascertained) so as to hinder

der either *coined* Gold or Silver from becoming a *Merchandize*: for whenever *the Price* shall rise *above that Medium* so as to give a *Profit*, whatever is *coined* will be made a *Merchandize*. This in the Nature of Things must come from the *general Exchangings, Circulation, and Fluctuation in Trade*, and cannot be hindered; but assuredly the *false Proportions* may be amended by the Legislature, and settled as *the Proportion between Gold and Silver is in other Nations*, so as not to make, as now is the Case, our *coined Silver* a *Merchandize* so much to be preferred to the *same Silver uncoined*.

10. What has been said seems to be self-evident; but the following Calculations made on the present current Price of Silver and Gold may serve to prove, beyond all Doubt, that the Proportion now fixed between Gold and Silver should be altered and fixed as in other Countries.

By Law, 62 Shillings are to be coined out of One Pound, or 12 Ounces of Standard Silver. —This is 62 pence an Ounce. Melt these 62 Shillings, and in a Bar this Pound Weight *at Market*, will fetch 68 pence an Ounce, or 68

B	Shillings.
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Shillings. The Difference therefore between coined and uncoined Silver in *Great-Britain* is now $9\frac{2}{3}$ per Cent.

Out of a Pound or 12 Ounces of Standard Gold 44 Guineas and $\frac{1}{2}$ are ordained to be coined. This is 3*l.* 17*s.* 10*d.* $\frac{1}{2}$ an Ounce. Now the current *Market Price* of Standard Gold is 3*l.* 19*s.* an Ounce, which makes not quite $1\frac{1}{2}$ per Cent. difference between the coined and uncoined Gold.

11. It may be urged, that should the Legislature fix the Proportion of Silver to Gold as in other Countries, by ordering 65 Shillings instead of 62 to be cut out of a Pound of Standard Silver; yet still would there be $4\frac{2}{3}$ per Cent difference between coined and uncoined Silver, whereas there is but about $1\frac{1}{2}$ per Cent difference in Gold.

On this we shall observe that the Course of Trade (not to mention extraordinary Accidents) will make one Metal more in *Request* at one Time than another, and the Legislature in no one particular Country, can bias or prescribe Rules or Laws to influence such *Request*, which ever must depend on the great chain of Things, in
which

which are linked all the Operations of this World. Freedom and protection are alone wanted in Trade: nor does Coin require more, if only a just Proportion in the Metals be settled. The rest, Mankind as their Interest and Understanding prompt them, will ever do.

12. To return to Gold; it is Matter of Surprise, that the Division of the Piece called a Guinea, has not been made smaller than just one half as it now is; that is into *Quarters*, *Thirds*, and *two Thirds*. In *Portugal*, where almost all their Coin is Gold, there are Divisions of the *Moedas*, or 27 Shilling Pieces into Tenths, Eighths, Quarters, and Halves. Of the *Moeda* and one *Third* or 36 Shilling Piece into Eighths, Quarters, and Halves. Hereby the want of *Silver Coin* might be greatly provided for, and those Pieces, together with the light *Silver Coin*, which *now only* can remain with us, would sufficiently serve the Uses in Circulation.

13. That to the Lightness of the *Silver Coin* now remaining in *Great Britain*, we owe what we have, any Person with Weights and Scales, may prove, as upwards of 70 Shillings coined in

the Reign of *King William*, or dextrously counterfeited by false Coiners, will scarce weigh, 12 *Ounces*, or a *Pound Troy*.

14. All the Art of Man can never hinder a constant Exportation and Importation of Gold and Silver, to make up for the divers Calls and Balances that may happen in Trade: for were *Silver* to be coined as above, 65 *Shillings* out of a *Pound Troy Weight of Standard Silver*, if at *Market*, it would sell for a Price that will make it worth while to melt it down or to export it, it must, and will, be made Use of as a *Merchandize*, as it really is, and the same will hold as to *Gold*.

15. That the Welfare of any State depends on its keeping *all* its Gold and Silver, either in Bullion or in Coin, is a very narrow Principle; all the Republicks we know of, wisely think otherwise. It is an utter Impossibility, nor should it ever be aimed at: for *Gold* and *Silver* are as clearly a Merchandize, as *Lead* and *Tin*; and consequently should have perfect Freedom and Liberty *coined* and *uncoined*, to go and to come, pass and repass from one Country to another, in
the

the general Circulation and Fluctuation of Commerce, which will ever carry a *general Balance* with it : for we should as soon give our *Lead, our Tin, or any other Product of our Land or Industry,* to those who want them, without an *Equivalent* in some Shape or other, as we should *Gold or Silver* ; which it would be absurd to imagine ever can be done by *our Nation,* or by *any Nation* upon Earth.

16. From *Spain* and *Portugal* come the greatest Part of Gold and Silver : and the *Spanish* Court very wisely permits the Exportation of it, paying a Duty as in *Great Britain* Lead and Tin do, when exported ; whereas heretofore (and as it still continues in *Portugal*) pénal Laws were enacted against the sending it out of the Country. Surely Princes by enacting such Laws, could not think they had it in their Power to decree and establish, that their Subjects or themselves should not give an Equivalent for what was furnished to them !

17. It is not our Intention to descend into, or to discuss minutely, particular Notions or Systems

tems, such as "*That Silver, and not Gold should be the Standard-Money or Coin.*"

"*That Copper is an unfit Material for Money.*"

And "*That Paper circulating as, and called artificial Money is detrimental.*"

Yet as these Doctrines seem to proceed from considering *Bullion and Money or Coin* in a different Light to what we apprehend and have laid down, we will observe,

18. That it matters not whether *Silver* or *Gold* be called *Standard-Money*; but it seems *most rational* that the most scarce and precious Metal should be the *Unit* or *Standard*.

19. That as to *Copper*, it is as fit for *Money* or a Counter as *Gold* and *Silver*, provided it be coined of a proper Weight and fineness: and just so much will be useful as will serve to make up *small Parts* in *Exchanges* between Man and Man, and no more.

20. That as to Paper Money it is far from being *detrimental*; on the contrary, it is *highly profitable* as its quick passing between Mankind instead of telling over, or weighing Metal in Coin or Bullion, is a Gain of what is *most precious* in
Life,

Life, which is *Time*. And we may venture to call it *Assistant* towards an Augmentation of People; inasmuch as those who would be employed in telling and weighing, gain that time for other Purposes. *Gold* and *Silver* in themselves, either in *Bullion* or *Coin* neither serve to clothe or feed Mankind; nor can Paper. The Idea of the too great *Extension of Credit* by the Circulation of *Paper for Money* is evidently as *erroneous*, as the Doctrine of the Non-exportation of *Gold* and *Silver* in *Bullion* or *Coin*: for were it not certain, that Paper could command the Equivalent of its agreed-for Value; or the *Gold* and *Silver* in *Bullion* or *Coin exported* be returned in the Course of Trade in some other *Merchandize*; neither *Paper* would be used, or the *Metals* exported. It is the *Produce of the Land*, through the happy Situation of this Island, joined to the Industry of its Inhabitants, that those *much adored Metals, Gold and Silver*, have been procured: and so long as the Sea does not overflow the Land, and Industry continues, so long will not those Metals be wanting. And Paper in the general

Chain

Chain of Credit and Commerce, is as valuable as they are; since the Issuers or Coiners of that Paper have some *Equivalent* to answer for what the Paper is valued at: *nor more* can any *Metal or Coin* do, than finds its *Value*.

Moreover, as incontestable Advantages of Paper, we must add, that the *Charge of coining* or making it, is by no Means *proportionate* to that of *coining* of *Metals*: nor is it subject to *waste* by long Use, or *impaired* by Adulteration, Sweating, Filing, or other roguish Arts as Coins may.

21. We shall by way of *Note* conclude, by observing, that whenever *Gold, Silver, or Copper-Coin* may be worn too light, the publick Purse should repair, or restore, what it may have suffered by constant Use; nay, if by the Wisdom and Vigilance of the Legislature, the abovementioned roguish Arts cannot be hindered, it seems prudent, that the Publick should make it good; since the very Creation and Existence of Coin is for the Utility of the Community in general.



G. W.